

1 STATE OF FLORIDA
2 DEPARTMENT OF REVENUE

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4

5 In re: Proposed Rule 12D-8.0082, F.A.C.

6 Florida Uniform Market Area Guidelines

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13 DEPARTMENT OF REVENUE

14 ROOM D & E, BUILDING C1

15 5050 WEST TENNESSEE STREET

16 TALLAHASSEE, FLORIDA

17

18 July 22, 2003

19 9:45 a.m.

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22 Reported by:

23 MARLO D. FARNSWORTH

24 Certified Shorthand Reporter

25

1 DEPARTMENT DESIGNEES:
2 STEPHEN J. KELLER, ESQ.
3 AL MOBLEY
4 SHARON GALLOPS

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1 P R O C E E D I N G S

2 MR. MOBLEY: Good morning. Today is Tuesday, July
3 22, 2003, and we would like to welcome everyone to
4 today's public workshop on the second draft of the
5 Florida Uniform Market Area Guidelines dated July 10,
6 2003. My name is Al Mobley, Revenue Program
7 Administrator with the Department of Revenue, and
8 sitting to my right is Mr. Steve Keller, Chief Attorney
9 for the Department's Property Tax Administration
10 Program. Mr. Keller and I will be the co-moderators
11 for today's public workshop.

12 At this time, I would ask the other members of the
13 Department of Revenue in attendance to introduce
14 themselves. Please state your name and your position
15 with the Department.

16 MS. GALLOPS: Sharon Gallops, Tax Law Specialist.

17 MR. KELLER: Today's public workshop was noticed
18 in the July 3, 2003, Florida Administrative Weekly.
19 This is a public workshop noticed consistent with
20 subsection 120.54, Florida Statutes, held for the
21 purpose of receiving comments from interested parties
22 regarding potential improvements to the second draft of
23 the Florida Uniform Market Area Guidelines, July 10,
24 2003.

25 Another public workshop on this draft, the second

1 draft, will be held on July 24th, next week, in
2 Orlando, Florida. These public workshops are being
3 held on different dates and in different locations in
4 order to maximize opportunities for input from Florida
5 stakeholders.

6 Copies of this second draft document and the
7 notice for today's workshop were mailed to all 67
8 property appraisers in Florida. Also this draft
9 document and the workshop notice are posted to the
10 Department's guidelines Web page-- Web site.

11 Please remember that all comments made here today,
12 along with any written comments submitted, will become
13 part of the public record.

14 MR. MOBLEY: The format for this workshop is
15 informal. Each time you step up to make comments,
16 please begin by clearly stating your name and the
17 organization or office you represent. In that regard,
18 if you have not already signed the sign-in sheet
19 provided at the back of the room, please do so now.

20 Does everyone here have a copy of the second draft
21 of the Florida Uniform Market Area Guidelines dated
22 July 10, 2003? Everybody has got a copy of the
23 handouts? Okay. If anyone does not have a copy, these
24 are available at the back of the room.

25 At this time, does anyone wish to submit written

1 comments on the July 10, 2003, draft of the Florida
2 Uniform Market Area Guidelines?

3 (No response.)

4 MR. KELLER: Okay, I'll just go over briefly how
5 we got where we are today.

6 In 1993, a provision was implemented in Section
7 193.114, Florida Statutes, that requires property
8 appraisers to place a market area code on each real
9 property parcel on assessment rolls beginning in 1996.
10 This statute also requires that these market area codes
11 be established according to Department of Revenue
12 guidelines.

13 The 2000 Auditor General's report recommended that
14 the Department promulgate uniform market area
15 guidelines as required by this statute. The Department
16 began the public process of developing uniform market
17 area guidelines in January of 2001. This process for
18 promulgation of the Florida Uniform Market Area
19 Guidelines has been designed to meet the provisions of
20 Sections 195.062, 193.114 and 120.54, Florida Statutes.

21 Prior to the development of the initial draft of
22 the Florida Uniform Market Area Guidelines, which was
23 dated July 9, 2003, the Department of Revenue held four
24 public workshops on the subject of market area
25 guidelines on the following dates: January 4, 2001, in

1 Orlando; April 3, 2001, in Tallahassee; June 26, 2002,
2 in Tallahassee; and July 9, 2002, in Orlando. The
3 transcripts from these four public workshops are posted
4 to the Department's guidelines Web page. The input
5 received from these previous public workshops was
6 reviewed and considered in the development of the
7 initial draft of the Florida Uniform Market Area
8 Guidelines.

9 MR. MOBLEY: The initial draft of the Florida
10 Uniform Market Area Guidelines, dated June 9, 2003, was
11 based on the following: number one, Florida law, manual
12 of instructions, and regulatory requirements; number
13 two, public input from Florida property appraisers and
14 their representatives; number three, public input from
15 Florida taxpayers and their representatives; number
16 four, information from certain publications of
17 professional organizations; and five, the expertise,
18 research and analysis provided by Department of Revenue
19 staff.

20 After the development of the initial draft, two
21 additional public workshops were held for the purpose
22 of receiving public comments on that draft. These
23 workshops were held on June 24, 2003, in Tallahassee
24 and on June 26, 2003, in Orlando. The transcripts from
25 these two public workshops are posted to the

1 Department's guidelines Web page. These workshops were
2 held on different dates and at different locations in
3 order to maximize the opportunity for input from
4 interested parties.

5 A few written comments on the initial draft also
6 were received. The initial draft, its sources, and the
7 comments received on the initial draft were considered
8 in the development of the second draft.

9 Please keep in mind that the intended use of these
10 guidelines is for Florida property appraisers to use
11 them to establish market areas and market area codes on
12 real property assessment rolls as required by Section
13 193.114, Florida Statutes. The intended use of market
14 areas is for both property appraisers and the
15 Department of Revenue to use them as geographic areas
16 in the statistical and analytical review of real
17 property assessment rolls as provided in Section
18 195.096(2)(c) of the Florida statutes.

19 There may be other applications of market areas in
20 the real estate industry and in the appraisal
21 profession that are not relevant to the development and
22 use of market areas on real property assessment rolls
23 under Florida law.

24 MR. KELLER: I'd like to direct everybody's
25 attention to the Internet Web page sheet that's

1 available at the back of the room, just to highlight a
2 few things on this sheet that are available for
3 everybody in the event you would like to get more
4 information.

5 This Web page can be found at the Internet address
6 that is located -- listed at the bottom of the page.
7 As you can see, the following items are available on
8 this Web page. There is an overview of the draft
9 market area guidelines development, there is an initial
10 draft of the Florida market area-- uniform market area
11 guidelines, which is in the middle of the page here, as
12 dated June 9, 2003. The second draft is available,
13 it's also in the middle of the page, dated July 10,
14 2003. The transcripts from the public prior workshops
15 are available at the right-hand side of the page.

16 Also the notice of public workshops for today's
17 workshop and the one July 24, 2003, is also available
18 together with the text of the rule that will be
19 adopting these guidelines by reference. That is
20 available if you click on the Notice of Public
21 Workshops link there.

22 There's also an e-mail address which you can click
23 on and e-mail your comments, and there's also a way
24 that you can get the address to send written comments
25 to Ms. Gallops.

1 No confirmation e-mails will be sent. All written
2 and e-mail comments received will become part of the
3 public record. Copies of comments are available upon
4 request. And we would request that you please submit
5 all written comments by no later than the close of
6 business on July 31, 2003. Comments can be faxed to
7 the following numbers, 850-922-9252 or 850-921-2983.
8 The Department's guidelines Web site will be updated
9 periodically as the guideline development process moves
10 forward.

11 MR. MOBLEY: At this time we would like to provide
12 a brief overview of the significant revisions made
13 during the development of the second draft of the
14 Florida Uniform Market Area Guidelines. If everyone
15 would turn to page 1 of the July 10th draft? Some of
16 these changes may not really be all that significant,
17 but we just wanted to cover at least most of them.

18 If you look at section 1.2, that is a new section,
19 and the information -- it's a new heading and the
20 information in there is new. And that information was
21 actually discussed at the -- at our last workshop, and
22 it was -- a decision was made to include that
23 information in the second draft.

24 The heading under -- for section 1.3, which says,
25 Specific Authority for Uniform Market Area Guidelines,

1 that's just a new heading. None of the information in
2 there is new. It's just kind of a way to break it up a
3 little more. Section 1.1 in the first draft was really
4 long, and so we kind of wanted to organize it a little
5 better.

6 Did you have anything you wanted to add to that
7 discussion?

8 MR. KELLER: No.

9 MR. MOBLEY: Okay. If you would now go, please,
10 to Section 3.4 on page 6, the heading for that section
11 is titled Market Area. The second sentence in that
12 paragraph was added, and that sentence basically refers
13 to real property groups within market areas having
14 legal, physical and economic characteristics.

15 If you would, please, turn to page 7, top of the
16 page, Section 3.6, titled Neighborhood. The third and
17 fourth sentences were added, and basically, they'll say
18 that market areas are larger geographic areas than
19 neighborhoods and neighborhoods may be a subset of
20 market areas. That's sort of to provide some
21 indication of the -- in the general terms of the
22 differences between neighborhoods and market areas.

23 If you would, please, turn to page 9, about the
24 middle of the page, Section 4.4, which is titled The
25 Use of Market Areas by Florida Property Appraisers.

1 The middle part of that paragraph was added.

2 Basically, that -- previously that paragraph was
3 two sentences, and so everything but the first and last
4 sentences was added in, and this basically discusses
5 that the use of market areas in the value production
6 process implies the application of a particular
7 valuation methodology, and the selection of a
8 particular valuation methodology is an active
9 administrative discretion on the part of property
10 appraisers, and therefore the use of market areas in
11 the value production process is not required.

12 And it's -- there are other methodologies in the
13 professional literature for producing just valuations
14 or for value production, and some of those
15 methodologies use market areas and some of them don't,
16 so we just wanted to provide some clarification of
17 that.

18 And there is -- I believe Mr. Keller might can
19 help us on this, but I think there's some case law on
20 that that's referenced in Section 11.2 of the real
21 property guidelines as well.

22 Do you have anything to add to that, Mr. Keller?

23 MR. KELLER: Yes. As a result of some of the
24 comments made at the previous workshop, this reference
25 was placed into the draft that you see here, and the

1 reason for that is to highlight the discretion of
2 property appraisers to select a valuation methodology,
3 and the case law that is cited there in the real
4 property appraisal guidelines supports the discretion
5 of property appraisers and basically specifically
6 states that no particular valuation methodology can be
7 required.

8 MR. MOBLEY: Right below that is Section 5.0.
9 It's titled Development of Market Area Distributions.
10 Prior -- on the first draft -- well, let me describe
11 this in the context of the second draft. I think it
12 will be easier to understand.

13 The second draft has deleted from it the
14 discussions on developing market area distributions
15 using sale counts per market area, and the tables --
16 there were five tables in the addendum that had
17 indicated distributions of market areas that were based
18 on sale counts per market area, and the discussion in
19 Section 5 that was deleted was -- described the tables
20 and the addendum that were deleted.

21 And the basic reason for that is based on feedback
22 that we got and our own belief that we need to be
23 gravitating more toward looking at parcel counts, and
24 that provides a way to have more stable market areas,
25 and obviously the parcel count information is going to

1 be driven to a certain extent by the expected
2 relationship between sales and parcels, but we
3 recognize that relationship is subject to variation
4 from year to year, and we certainly don't want to imply
5 that a county would have to go out and try to redesign
6 market areas every year just to get sale counts. We
7 don't want that to be implied, because that's certainly
8 not the intent. So that's the basic difference there
9 on the second draft.

10 If you would, also in Sections 5 and 6 in various
11 areas the language was revised to gravitate from sale
12 count analysis more to parcel count analysis, except if
13 you would turn to page 16, there's a couple of them we
14 neglected to change, and we want to make you aware of
15 that now so you can change that on your draft.

16 If you would look at Section 6.5, does everybody
17 see that at the top of the page? If you look on the
18 third line of Section 6.5 toward the end of the line,
19 the word sale there should be parcel, if you would
20 change that, please. Section 6.5, the third line
21 toward the end of the line, the word sale should be
22 changed to parcel, and down on section 6.6, the second
23 line, about three-quarters of the way over, the word
24 sale there should be changed to parcel as well. Does
25 everybody see that?

1 Okay. If you would, please, flip back to page 11.
2 On page 11, the first heading on that page is Section
3 5.6.1, and it's titled Existing Market Area Counts and
4 Parcel Counts Per Market Area. This section describes
5 Table 1 in the addendum. And in the first draft, the
6 Table 1 contained parcel count information and sale
7 count information for statutory strata 1, 2, 4, 5 and
8 6 for each county, and that information is actually
9 reflected in the first two columns of Tables 2, 3, 4, 5
10 and 6, so that was repetitive.

11 And what we did, we replaced that with a table
12 that contained an analysis -- a presentation and
13 analysis of existing market area counts and parcel
14 counts per market area as reported on assessment rolls
15 currently, and I think these are 2002 final rolls, if
16 I'm correct on that, I believe that's correct.

17 And the revised Section 5.6.1 just describes that
18 table, basically, and it shows us the lack of
19 uniformity that currently exists, because obviously
20 there haven't been any guidelines for quite some time.

21 And we put a note down at the bottom of Section
22 5.6.1. If you look at the last sentence in that
23 paragraph, it says, "Note: Section 5.6.1 in Table 1 are
24 included for informational purposes only and will be
25 deleted from a future draft." Some of the comments

1 pointed out that some of the material in the draft was
2 inappropriate for inclusion in a final guideline, and
3 we certainly recognize that, and we started out knowing
4 that this was going to be a document that would have
5 multiple drafts and workshops, and so some information,
6 especially historical information and some of the
7 analysis, has been included in here just so you can go
8 to one place and see, you know, the reasoning and make
9 it all clear in one document. But before it's
10 finalized, the document will be pared down and will
11 just contain the essential information.

12 Let's see, what else?

13 MR. KELLER: Okay. On page 17 is the 6.10
14 paragraph in the current draft. The language there was
15 changed to a should for, "Property Appraisers should
16 submit to the Department of Revenue by no later than
17 August 15, 2004, a market area delineation and coding
18 plan." That is the predicate for the aid and
19 assistance that you see in 6.11; as part of that aid
20 and assistance we would like to receive a plan from the
21 property appraisers that wish to take advantage of the
22 opportunity for aid and assistance.

23 MR. MOBLEY: Flipping back one page to page 16, if
24 you would, please? Section 6.5 is titled Legal,
25 Physical and Economic Characteristics. This is a new

1 section that was added to focus on the fact that
2 there's legal, physical and economic characteristics
3 within the property groups within a market area, and
4 this has several advantages, provides a basis for
5 understanding some of the issues for how to develop
6 reasonable market area boundaries. The numbered
7 information that that's listed out in line form, items
8 1 through 11 in Section 6.5, all that except for item
9 11 was included in the first draft, but it was in a
10 paragraph, like in narrative form, and it apparently
11 wasn't -- didn't come across very clear that it was
12 there, based on some of the comments we received. So
13 we want to give that a little more focus, and there may
14 be some additional focus on those things in future
15 drafts.

16 I'd like to go over -- before we do that -- no, I
17 guess we need to go ahead and cover these items first.

18 I'd like to go through these numbered items, and
19 if anyone has any comments on this, I would just sort
20 of throw out, you know, whether we're talking about a
21 legal, a physical or economic, or whether all three of
22 those are kind of combined together in most of these
23 things.

24 The first item is future land use classifications.
25 This is obviously a legal thing. This is required by

1 law that every county and, I believe, municipality to
2 have which determines the land uses in the counties and
3 has a big impact on growth and is a pretty useful tool
4 for looking at land use densities and where things
5 might be, you know, growth areas, that kind of thing,
6 you know, environmentally sensitive areas of that
7 nature.

8 But I think also, because this is a legal document
9 that specifies where you can build certain types of
10 properties and where the size of properties or the
11 density of properties that may be allowed in certain
12 areas, obviously it has physical implications as well.

13 So that gets us to the economic part. If you look
14 at the, you know, what causes prices to vary out in the
15 market. Well, on a very basic level, it's the type of
16 property and the size of property, the density of
17 properties, so I think it would be fair to say you're
18 looking at a future land use classification, okay, this
19 is a legal document, but obviously there's physical and
20 economic implications there, and that is -- when you
21 look at it from that perspective, it sort of increases
22 the utility of that source as a tool.

23 Municipal limits, if there's a -- I think this may
24 have come out of a prior workshop. If there's a
25 municipality that has a really strong building code and

1 people want to live in that particular municipality, or
2 they don't want to because maybe the code is too strong
3 and the city is a little bit onerous to deal with, then
4 in some cases that might provide a boundary.

5 Obviously, county lines, market areas are, as
6 we're talking here, are legal requirements, and they're
7 basically divisions of Florida counties, so certainly
8 county lines would form reasonable boundaries.

9 There's been some previous discussion of a market
10 area for, say, a Class A office building as being the
11 southeastern United States or, you know, a regional
12 office building being the whole U.S. Well, that's
13 really nice from an appraisal theory perspective, a
14 single property appraisal, but I don't think we want to
15 get into the business, in this document, of defining a
16 market area as including stuff outside the state of
17 Florida, and we're really talking about geographic
18 divisions of Florida counties here, so county lines are
19 certainly relevant.

20 Census tracts, which we'll talk about a little
21 later, this is -- I think we had some comments at a
22 previous workshop, they talked about differences in
23 demographics affecting the economics of real property
24 markets, and so we're going to discuss that a little
25 bit later just for informational purposes, but census

1 tracts are geographic units that are, I believe,
2 mandated or controlled by the federal government.
3 They're actually developed by local entities, mainly
4 local governments, but they cover every parcel in every
5 county in the state of Florida, and those are
6 geographic units that are used for economic analysis by
7 a wide array of private sector decision-makers, so in
8 some cases, a census boundary or part of a census
9 boundary may be useful for delineating market areas.

10 Subdivision boundaries, if you've got a huge
11 subdivision or part of a subdivision that's really
12 unique that, where there's something drastically
13 different on one side or the other, that may form a
14 potential boundary.

15 Number 6 is rivers, oceans. I mean, obviously,
16 not too much stuff built out there. So that would form
17 a good boundary.

18 Number 7, major streets, expressways, canals, et
19 cetera, these are manmade items that, in many cases,
20 will involve a major shift in property type or
21 economics of a real property market.

22 Item number 8, changes in the type and size of
23 real property parcels and improvement, we went back --
24 we discussed that earlier. If -- I mean, obviously
25 that's going to have a major impact on the economics of

1 an area. You're talking about different property
2 types, you're talking about different sizes of parcels
3 and different sizes of improvements.

4 Item number 9, changes in real property
5 construction, quality and features, well, obviously
6 construction quality and the type of features and the
7 construction is also going to be translated into
8 different economics.

9 Item number 10, changes in the quality of real
10 property maintenance, obviously it takes money to
11 maintain property. The older it gets, it takes more
12 money. The bigger the property is, the higher the
13 construction quality, the more it takes to maintain it.
14 And the lack of maintenance can also be reflected in
15 lower prices and lower rents in some cases, so that's
16 obviously another economic consideration that is
17 readily observable in a physical sense.

18 Item number 11 was added, and that may make number
19 10 repetitive, but changes in real property effective
20 age, which obviously is a more direct impact on real
21 property economics.

22 So those are -- does anyone have any questions or
23 are there other items similar to this that could be
24 added to this list that are -- we're trying to make
25 this as workable as possible for counties that -- so

1 somebody can drive around and, you know, look at their
2 cadastral maps or drive around and see where reasonable
3 boundaries might be. If there's anything that -- any
4 information source that is readily available or readily
5 apparent to everyone that is not listed here, we would
6 be interested in comments on that.

7 Are there any items that you can think of that
8 have a significant impact on real property sales
9 levels, economic activity, other, that are readily
10 observable or readily available that aren't listed
11 there?

12 There being no commentary on that subject, does
13 everyone have a copy of this 2000 census handout?

14 Yes, Jan?

15 MS. VANN: Jan Vann, Santa Rosa County. I do have
16 one question.

17 MR. MOBLEY: Okay.

18 MS. VANN: When you're talking about the legal,
19 physical and economic characteristics of going around
20 with the maps and coming up with reasonable market
21 areas, which is good, except that 6.6 says, and 6.4 and
22 5 say, that you need to have them uniform in parcel
23 count, and you're going to have market areas that may
24 have 5,000 parcels and market areas that have 200
25 parcels that really, truly are reasonable market areas.

1 So how do those relate, based on the fact that it says
2 they should have reasonable uniformity in their parcel
3 count size?

4 MR. MOBLEY: Well, going forward, one of the
5 things we're looking at, and we'll discuss that a
6 little bit later, is having some specific discretion in
7 terms of parcel counts per market area that would allow
8 flexibility in delineating boundaries. But we have to
9 understand something. The purpose of this is to test
10 the results of mass appraisal using mass analysis
11 techniques, okay, and a basic underlying thing here,
12 we're not doing single property appraisal and we're not
13 developing neighborhoods, okay? 200 parcels is a
14 neighborhood.

15 MS. VANN: It may not be.

16 MR. MOBLEY: Okay. Well, you know, that's an
17 endless argument that can carry on for years.

18 MS. VANN: Well --

19 MR. MOBLEY: And if I can just finish, can I
20 finish? I'd like to finish, I want to finish my
21 response.

22 If you have a geographic unit that has nowhere
23 near enough data to provide any meaningful measure of
24 what you're trying to accomplish, it is meaningless,
25 and that's a basic underlying issue in this process.

1 Many people I think would be concerned if this
2 document said that, you know, 200 parcels is a
3 reasonable market area, because some of the concern
4 that I've heard is that the Department of Revenue is
5 analyzing things too much, getting down to too much
6 detail. Well, part of the -- one of the benefits of
7 looking at this in terms of minimum sample sizes of
8 sale counts and minimum parcel sizes is that it gets
9 away from down -- being down to that neighborhood level
10 and that very small unit that you're talking about, and
11 if we have time later, we can expand the discussion.

12 I can -- there are examples of counties that have
13 used market areas, in the valuation process used market
14 areas as modeling areas for regression models and
15 feedback models, and through my professional
16 relationships with people in those counties I'm aware
17 of how they went about coming up with those true market
18 areas, if you want to call them true market areas. And
19 in every case, a significant, driving consideration in
20 their delineation of market areas was parcel counts and
21 with sale counts, or in one case, they didn't want to
22 have too many models to manage, that was the driving
23 consideration. So I understand what you're saying.

24 MS. VANN: No, you don't.

25 MR. MOBLEY: If -- we're not doing single property

1 appraisal here. If you look at the single property
2 appraisal literature, it goes on for pages and pages
3 talking about all sorts of really neat things about
4 real estate economics. The problem is, nobody can
5 agree on how that would apply, and what we have right
6 now is a situation where counties have operated in the
7 absence of guidelines, and that's certainly not the
8 counties' responsibility, that's the Department's
9 responsibility.

10 And we see cases where counties with way over a
11 half million parcels have fewer market areas than
12 counties with 6,000 or fewer parcels, and I don't think
13 any knowledgeable person can agree that that's a
14 reasonable result.

15 So the document, while we recognize there's
16 issues, we want to have more flexibility in future
17 drafts, and there will be. You know, we're kind of
18 caught in --

19 MS. VANN: At every one of these meetings, I've
20 brought up --

21 MR. MOBLEY: Jan, I'm not finished. I'm not
22 finished.

23 MS. VANN: You're not even talking to my question.

24 MR. MOBLEY: Well, I'm presenting information, and
25 I am going to finish, okay? The last workshop, there

1 was constant interruption after questions. That's not
2 going to happen here.

3 There will be additional analysis. In the future
4 drafts, there will be more flexibility presented. We
5 understand that. There's nothing in here that says
6 that every market area has to average exactly whatever
7 it is. It says basically you need to consider this.

8 So in recognition of that fact, there will be
9 flexibility. But I think we have to understand that
10 the purpose for having guidelines is so we can have at
11 least some semblance of uniformity in the way it's
12 applied for the purpose that it's applied.

13 If counties have, and this is provided in the
14 document, if counties have needs for market areas or
15 neighborhoods or whatever else that they can choose at
16 their discretion that -- have whatever number of
17 parcels or sales that fits their needs, that is their
18 discretion. That is totally theirs.

19 I'm finished. Thank you.

20 MS. VANN: Mr. Keller, at every one of these
21 meetings I've brought up the question, and at every one
22 of them I've got the filibuster answer that we will be
23 getting flexibility, and it will be added. This is
24 like the seventh draft of this, and it's not added yet.
25 That's what I'm saying is we've brought these same

1 topics up at every meeting, and I keep hearing it will
2 be done. When will it be done that we can see what
3 your idea of flexibility is so we can see if it's what
4 we're thinking about?

5 MR. KELLER: Well, again, we're on the second
6 draft of this, and we're here to listen to -- we're
7 listening to what your comments are. Is there a spot
8 in here that needs some flexibility? Could you draw
9 our attention to that and that would help us?

10 MR. BISHOP: Mark Bishop, Gilchrist County. I
11 think that the problem we're facing here is the vast
12 differences between these 100,000 and 200,000 parcel
13 counties and small counties like us. You know, like
14 our city of Bell has got 446 parcels in it. That's the
15 neighborhood. I mean, you can't deny that. I mean, if
16 you go out any further than -- and we're beyond the
17 city limits, don't get me wrong, but it's that area
18 encompassing Bell, you've went to totally different
19 properties. Well, here we are with one that's got 14
20 qualified sales in it last year, you know, but the fact
21 of the matter is we ain't got but 300-some qualified
22 sales in the whole county for the year, you know. If
23 you're talking 40, you're talking, you know, dividing
24 the county up into strange proportions.

25 We've got one section or one -- we've established

1 our market areas about two years ago, and nobody could
2 tell us what a guideline was. They just said, "Go do
3 it." And so we worked and we tried to develop what we
4 thought was actual market areas. We've got one market
5 area that's got 56,000 acres in it, and it's 352
6 parcels. We had four sales in there last year. But it
7 doesn't match anything else in the county. You know,
8 that's what we're butting our heads against, you know,
9 we're looking at, you know, what your guidelines are,
10 and we're saying we're not going to -- you know, it
11 doesn't match up.

12 And like I say, if you're looking for consistency,
13 what I did do is I looked at our population as a whole
14 and how many -- what percentage of sales we had for the
15 county is about three percent, and 85 percent of our
16 market area is the sales for those market areas were
17 three percent.

18 MR. MOBLEY: I'm sorry, Mark, when you say
19 population you mean population of properties?

20 MR. BISHOP: Yes, total population, parcel count,
21 three percent of them are sales and the majority of
22 those are three percent. We've got one area -- we've
23 got a -- one subdivision in our county that's just head
24 and shoulders above everything else. It's got 209
25 parcels in it. Well, they had eight percent sales in

1 there last year, which is a significant amount for that
2 small of a market area, but it can't be compared to
3 anything else in our county, so we broke it out as its
4 own market area.

5 But then again, that's going below what the
6 standards say we need to do, and that's our big problem
7 is we don't have the parcel count, you know, we've got,
8 you know, we just don't have that many to be dividing
9 up. Like I said, it's working for us. As far as our
10 statistical analysis, all of them meet the weighted
11 mean, most of them are in -- on the CODs and the PRDs
12 within those market areas that we've established, and
13 we use them to help us to make sure that the whole
14 county is uniform.

15 But I think that, you know, we start putting
16 numbers because, you know, there probably have been
17 times when our county didn't have 40 Stratum 1 sales in
18 it, you know, for the whole county, the whole county-
19 wide. So you can't say that it's one market. That's
20 what we ran into two years ago, and I think maybe --
21 how long ago was it?

22 MR. LEGGETT: It's been two years.

23 MR. BISHOP: No, that they set them up again
24 initially. I think that would be Norman.

25 MR. LEGGETT: Yes, Norman.

1 MR. BISHOP: May have been 10, 12 years ago he
2 came down and helped set us up -- set them up.

3 MR. LEGGETT: Probably about six or eight.

4 MR. BISHOP: We had a map, and it had -- it was
5 one neighborhood, it had 11 -- or had one market area
6 and 11 neighborhoods in the whole county. Well, the
7 State comes in and they do your audit, they say, "Do
8 you have it?" We show them the map. They said okay.
9 Well, nobody knew what they were. We were using more
10 specific neighborhoods, you know, we were going in,
11 subdivisions, everything in there changed, that kind of
12 thing, we were doing it mentally, but we didn't have it
13 on paper, so we had to explain it to you all two years
14 ago.

15 And so then we came back to establish our market
16 areas, which we did, and we feel very comfortable with
17 them, but, you know, when we start, you know, limiting
18 on us by how many sales we've got to have, I think
19 we've got -- if you go to the 40, we've got two market
20 areas that reach it, you know, and some of them are
21 never going to reach it, and I think you're just going
22 to encompass a whole lot of stuff that don't match.
23 You know, I just think, you know, you need to consider
24 that because, you know, there has to be some
25 flexibility because you've got such vast array of

1 counties, you know.

2 We're sitting right there beside Alachua County.
3 They've got 86,000, 87,000 parcels, and we've got 13,
4 and we had a three percent sales, and they had
5 eight percent of their total population. So, I mean,
6 right there showed a vast difference. Well, shoot,
7 there they don't have a problem with that because
8 they've got sales to back it up.

9 MR. MOBLEY: How many market areas do they have?

10 MR. BISHOP: I believe they told me how many
11 market areas they had. I'm not sure. But they had
12 over 5,000 sales. Well, that's like a third of our
13 whole population, you know, they had in sales.

14 So the bigger counties, it's not going to be a
15 problem, everything is going to flow for them. But
16 just like when you do a review and you come in and pull
17 40 of ours and you pull 40 of theirs, it's a drop in
18 the bucket of what you pull of theirs when you're
19 looking at a whole big percentage of ours. And I think
20 that just needs to be considered.

21 MR. MOBLEY: How many market areas do you all
22 have, Mark?

23 MR. BISHOP: We've got 14.

24 MR. MOBLEY: You've got 14 market areas?

25 MR. BISHOP: Now, we've got two that are small.

1 Like I said, that one subdivision, we pulled it out
2 because it was so unique, and then we've got one that's
3 developing right now. Well, how many?

4 MR. LEGGETT: 250 or 300 quarter-acre lots. It's
5 all going to be, I guess, all paved and curbed and, you
6 know, restricted community.

7 MR. BISHOP: So we've already taken it out for
8 future because we know it's coming.

9 But let me show you a map. The big thing, you
10 know, one of our biggest -- and this 56,000 acres
11 roughly encompasses about 25 percent of our whole
12 county, and it's basically flatlands and there's not
13 going to be houses in there. I mean, on the edges, on
14 the borders, we've got some, and that's the stuff
15 that's selling, in smaller pieces.

16 MR. MOBLEY: Is that that lowlying area in the
17 middle of the county?

18 MR. BISHOP: Yes. Yes, you know, and I just think
19 consideration needs to be made for things like that,
20 you know. Like I said, you know, any time you say must
21 or can or something like that, it just completely
22 limits you, and I just think there needs to be some
23 kind of flexibility.

24 We've got two market areas on rivers, because
25 we've got the Santa Fe River which is totally different

1 from the Suwannee, so we've got them broken in two
2 because they're different, they're definitely
3 different. And, you know, this market down here, it's,
4 I don't know, 20,000, maybe 15,000 or 20,000 acres of
5 total farmland that has been in people's families for a
6 hundred years, and it's not going to have sales in it,
7 you know. We had three sales in that whole market area
8 last year. And some of it is being subdivided and cut
9 up and stuff, but very little, and you're just not
10 going to have a lot of sales in that area, either, you
11 know.

12 One point I tried to make to another fellow that
13 wanted us to make them bigger so we would have the
14 sales, and I said, you know, you've got some places
15 that are markets, but they're closed down, you know,
16 you just don't have sales in there, and you can't make
17 them, and you don't want to compare them to something
18 that's not like them. So that's what we tried to do.

19 MR. KELLER: If I could just maybe comment from
20 what you just, it sounds to me, and Al can correct me
21 if I say something inconsistent with his understanding,
22 that this document does not affect what you just said
23 or what you're doing. The discretion of the property
24 appraisers is there, the flexibility is there for you
25 to utilize the market areas that you have for the

1 purposes that you just outlined.

2 What this document is talking about is what is
3 reported to the Department of Revenue, and you may find
4 that in your county you really only need to report one
5 market area, depending on the size of the county. We
6 found a lot of counties at the last workshops that
7 don't have a need for more than one market area that
8 would be reported to the Department, so there's a
9 difference between what you're using your market areas
10 for and what the guidelines here are interested in
11 getting reported to the Department of Revenue for the
12 analysis purposes.

13 MR. BISHOP: Well, see, that's what happened to us
14 two years ago. We had one, and they called us up, and,
15 I mean, they was talking about turning down the tax
16 roll and all that, because in like this 56,000 acres,
17 we had some sales down at the south end, and we hadn't
18 changed all the five-acre tracts on the north end that
19 was 25 miles away. So we had to spend a day in
20 Tallahassee explaining to them how we had changed all
21 those that were affected down here, but we hadn't
22 changed these, and they said, well, you probably need
23 your market area, you don't have them right.

24 So since then we haven't had that problem. So I
25 think it's working for the Department, too, as much as

1 it is us, because they have been looking at them, but I
2 just, you know, that was our problem because we only
3 had one. And, I mean, you can -- anybody can see that
4 a county is not going to have one market area. That
5 just -- that don't make good sense, either. You know,
6 any municipality is going to have its own, almost,
7 unless it's, you know, almost geographically touching
8 another one, they're not going to -- they're very much
9 going to differ, I think.

10 MR. MOBLEY: Well, as a practical matter, there
11 are people that will disagree with you.

12 MR. BISHOP: Well, I'm sure there are.

13 MR. MOBLEY: I've looked at this thing enough, and
14 there's people in the counties that there's no
15 consensus from the counties, okay, so we're here
16 looking, trying to do a document that complies with the
17 law and trying to, you know, make as many interested
18 parties as we can happy within that framework. And
19 regardless of what happens, there's going to be a lot
20 of people that are happy, there's going to be a lot of
21 people that are unhappy.

22 And I think what Steve said is exactly right, that
23 the flexibility in here, which says for internal
24 purposes, for valuation purposes, whatever
25 neighborhoods, whatever you have, neighborhoods aren't

1 required to be reported to us, you know, whatever
2 market areas that people may have.

3 Some counties have invested a lot of time and
4 effort in building models for each market area. I
5 mean, you know, you all don't have enough data to do
6 that, but, you know, in the bigger counties, a few of
7 them, just a handful probably, have done that. That
8 works in the value production process, but it may be
9 very different, it may be very inconsistent from one
10 county to the other, even counties of similar parcel
11 sizes and the way they use them in their valuation
12 process, and one county says we did it this way because
13 we've got X number of field people and we wanted to
14 have a number of market areas equal to the number of
15 field people, and they have beautiful models that they
16 have for each one, okay? Now, where is all the
17 economics and stuff in that, okay?

18 You've got another county about the same size that
19 says, we're not going to have more than a certain
20 number of market areas because we don't want any more
21 administrative burden of having to deal with the
22 regression stuff every year, and this is what drives
23 their decision-making. Where is all them perfect
24 markets out there that they're talking about?

25 Another county came up, and I'm going to give

1 correct relative numbers but not -- the other numbers
2 will be off, they came up with 39 market areas, their
3 internal people, their staff went out says, "Okay, man,
4 we know it, we've got 39 market areas." Here comes a
5 consultant to help them with the model building. He
6 goes, "No," he looked at the numbers, "This ain't going
7 to work, you can't model with this." So they ended up
8 with 29 market areas, okay, 10 market areas less. The
9 numbers here aren't right, you know, because I don't
10 want to get into anybody's business, but yet they
11 produce a beautiful roll for appraisal purposes.

12 You're saying you've got a different system and,
13 you know, that's fine. All of those things are fine.
14 We don't want to get into people's value production
15 business. So that's why this document is focused on
16 what the statute says, and it stays out of what is the
17 property appraiser's administrative discretion.

18 We don't know of a better way to handle it. To
19 me, it seems -- I'm not smart enough to come up with a
20 cool idea like this, but to me it's kind of a win-win.
21 You know, the counties get to do what they want to, but
22 then the Department gets what the law requires, and
23 then everybody is in compliance with the law, and then,
24 you know, nobody can criticize us, but yet the counties
25 get to keep and do whatever they want to. So that's

1 kind of the win-win that's come out of this so far.
2 But those are excellent comments. I really appreciate
3 that.

4 If we could, we'll take a look at this little
5 census handout. This is just for discussion purposes,
6 as I mentioned down at the bottom. This was something
7 we ran across a little while back, and it doesn't have
8 direct applicability, but there's enough stuff in here,
9 it's interesting and we wanted to throw it out to see
10 if anybody might find anything of any value in here, if
11 you think that there's any value in any of this, you
12 know, you may want to include it in written comments.

13 This is the United States Census 2000 Participant
14 Statistical Areas Program Guidelines, and we have the
15 -- we've got a five-page handout here which consists of
16 the cover page and four pages from within the document
17 with a couple of items highlighted which we'll discuss
18 briefly.

19 This document is produced by the U.S. Department
20 of Commerce, Bureau of the Census, and it's guidelines
21 for local entities, I guess mainly local governments,
22 to use in delineating boundaries for census tracts.

23 If you would, please, turn to the second page of
24 the handout. The numbered page at the bottom is page
25 17, and there's a little asterisk and a line underlined

1 up top, and this is under a heading titled General
2 Characteristics, and it says, "A census tract must meet
3 the population and boundary feature criteria." In this
4 case, population refers to population of people, of
5 humans. Mark was referring to population earlier in a
6 statistical sense, which means all of the parcels
7 within an area.

8 The interesting thing here is that they're talking
9 about basically the number of units within a geographic
10 area, in this case being census tract, and the number
11 of units being people. And then they talk about
12 boundary issues, and some of the same boundary issues
13 that they discuss in here also happen to be discussed
14 in the draft of the market area guidelines as well as
15 discussion in the literature. None of this stuff is a
16 big mystery.

17 Moving down toward the bottom of the page, there's
18 another little asterisk by a heading called Census
19 Tract Boundary Features, and it talks about boundaries,
20 census tract boundaries, following visible and
21 identifiable features where possible and also having
22 legal boundaries in some cases, which is sort of
23 interesting to see how they went about it.

24 If you would, please, flip over to the next page.
25 The numbered page at the bottom is 18, of the little

1 handout. And up at the top there's a discussion of
2 population, this is the number of persons within a
3 census tract, and there's an underlined sentence which
4 says, "To provide meaningful statistics, the Census
5 Bureau maintains population size requirements for
6 census tracts while allowing for some flexibility,"
7 which is an interesting concept.

8 Looking down at the bottom of the page, there's a
9 little table that's in brackets there, and it says, the
10 table says -- is titled Population Thresholds for
11 Census 2000 Census Tracts, and it has some different
12 categories of census tracts. For the United States, it
13 has an optimum number of people and then a minimum
14 number and a maximum number, and we -- that looks
15 pretty interesting and might be an idea for a way to
16 handle some specific flexibility in future drafts of
17 the market area guidelines.

18 If you would, please, turn over to the next page,
19 and this is -- down at the bottom, it's numbered page
20 8, and this is the first couple pages out of a chapter
21 titled Participant Statistical Areas Boundary Feature
22 Criteria, and there's an underlined sentence here which
23 says, "The types of features acceptable as participant
24 statistical areas boundaries can be classified into two
25 categories: map features (further refined as either

1 visible or nonvisible, and standard or nonstandard) or
2 legal boundaries." So it's just interesting to see
3 sort of the approach that they took to the boundary
4 issue.

5 The next page, page 9 was included just so
6 somebody could see the continuation of the discussion
7 that began on the previous page.

8 This document, along with lots and lots of other
9 stuff, is available on the U.S. Government Census Web
10 site, you know. If you go into a search engine, I'm
11 sure you could pull this up if anyone wanted to look at
12 it.

13 And once again, we're not proposing market areas
14 to be based on census tracts or anything of that
15 nature, but we think it's interesting to look at
16 something that everybody is aware of, and census tract
17 information is used in a wide variety of market
18 analysis for private sector decision-making, and in
19 some cases a census boundary or part of a census
20 boundary may be useful in consideration for developing
21 market area boundaries according to the guidelines.

22 So that's pretty much what that is. That's just
23 for personal consumption at your leisure. Does anyone
24 have any questions on that?

25 At this point, we've sort of covered the

1 information that we'd like to present today, and in
2 that we've had some good discussion on different
3 issues.

4 At this point, does anyone have any additional
5 discussion on this draft with a view toward how it
6 could be made better in a future draft and with as much
7 specific information as possible to help us out with
8 that?

9 I'm sure Mr. Hodges must have something good.

10 MR. HODGES: I wrote down an idea, but -- it may
11 be goofy, but I'm going to go ahead and throw it out.
12 I was wondering is there a possibility that you and
13 Mr. Keller could incorporate what I'm terming a MAAB
14 provision, M-A-A-B, which would be a Market Area
15 Appeals Board, you know, sort of like an Adjustment
16 Board, where you and Mr. Keller and maybe a couple of
17 property appraisers in the state and maybe conceivably
18 a couple of lay people or something, it could be a
19 board where if there was a significant disagreement
20 between a county as to their market areas and the DOR,
21 wouldn't they have a means to possibly take it before a
22 board and explain their rationale?

23 I don't know if that's feasible or not, but it
24 might alleviate some of the anxiety that some are
25 having about the possibility that you all will dictate

1 something that they cannot live with, and, you know,
2 let them build a case. I mean, I'm talking about
3 something you could do in an afternoon or something
4 like that, not long and drawn-out, but some board that
5 might be perceived as relatively unbiased where you had
6 open minds listening to the case, and maybe they can
7 state their case and maybe, you know, you get a
8 decision that everybody is happy with, some kind of
9 compromise by the time it's done, an arbitration type
10 of thing or whatever.

11 MR. MOBLEY: I'll just -- I'm sure Mr. Keller --
12 I'll just -- a part of the -- well, a big part of the
13 provision within the market area guidelines is to allow
14 counties to have whatever additional geographic units,
15 market areas, neighborhoods, whatever they want to call
16 them, coded site groups that may fit their particular
17 valuation methodologies, which is a decision that the
18 counties can make for themselves, is to give the
19 counties some flexibility to have what they need, but
20 then also provide a way for there to be some uniformity
21 in the development of market area codes as reported to
22 the DOR as required by law for statistical and
23 analytical purposes, which is also provided in the
24 statutes.

25 MR. HODGES: The only thing I mentioned, and, Al,

1 maybe this is like my third time at one of these, and I
2 always hear you all talk about flexibility and latitude
3 and you want appraisers to have plenty of opportunity
4 to devise their own market areas. At the same time, I
5 hear a lot of folks from the property appraiser circles
6 that are concerned that somehow, some way this is going
7 to work against them, that DOR is going to
8 statistically make this a burden, and that's why -- you
9 know, I don't know, it may not be an idea that could be
10 incorporated at all, but somehow, some way I think you
11 all have to have -- you don't have to, but it would be
12 something that would be seen as a good thing, is if you
13 could hold out an olive branch and say, you know, even
14 if we have a disagreement, our appeal people down in
15 Miami have a disagreement with you guys, there is a
16 route that you can take, you can appeal this, rather
17 than have this -- I always hear, too, the term that,
18 you know, you all may threaten them with turning down
19 their roll type stuff, and that's the only recourse,
20 it's either that or litigation.

21 So I'm just wondering if there's a way to possibly
22 put people's minds at ease about this market area
23 guidelines stuff by saying, look, you know, not only
24 are we going to give you the latitude to create your
25 own market area, but if and when we do have a

1 disagreement, you've got a board you can take it to and
2 state your case. I don't know if that's feasible or
3 not. It's a thought.

4 MR. MOBLEY: I'll just throw out another thought,
5 and before Mr. Keller, I'm sure he has some detailed
6 legal analysis for us, but I think we mentioned at the
7 last workshop that you and I talked where you were new
8 to the business and you're looking at the issues that
9 are involved here between the counties and the
10 Department, and I've worked in a couple of Florida
11 counties, I have a lot of friends in counties, and, I
12 mean, it's possible I'll be back working in a county
13 one day, you know, who knows? I mean, nobody knows
14 where they're going to end up.

15 This is an extraordinarily difficult task. I can
16 tell you there are a number of people that you will not
17 please under any circumstances, and there's history
18 about this business that I don't understand and I don't
19 want to understand.

20 It would certainly be a very time-consuming
21 operation, and if we, you know, thought about this long
22 and hard and, you know, came up, well, let's just let
23 the counties do what they want to do for their
24 purposes, and part of the thing behind basing market
25 areas on a certain size, a minimum size, is so

1 primarily we have enough data to work with, okay? But
2 then that sort of takes away some of the argument of
3 people saying that, well, the Department is expecting
4 us to do single property appraisal. Well, market area
5 is very much a mass appraisal concept. This has got
6 nothing to do with single property appraisal.

7 And so we hear different arguments that are
8 difficult to understand, me as an appraiser, as single
9 property appraisal and mass appraisal and just looking
10 at it as a big picture, not as a Department employee.

11 I mean, I think Steve and anybody else will tell
12 you that I'm a rebel within the Department of Revenue.
13 But we're just not going to be able to make everybody
14 happy, and I guess that's something we're going to have
15 to live with.

16 That's all I have. I'm sure Mr. Keller has a
17 detailed legal analysis for us.

18 MR. KELLER: I don't know that I have anything
19 detailed or -- but just to comment on your idea, I
20 think we appreciate the thought and we'll consider
21 that.

22 Just by way of background, I think I've heard the
23 reference to the Appeals Board with respect to, most
24 recently, sales qualification decisions and specific
25 parcels as a whole in those sales qualification

1 studies, and I've heard that idea coming out of, I
2 think, Kansas, where they apparently do that in that
3 state with sales qualifications. So that probably, as
4 I said earlier, would be maybe closer to the top of the
5 stack of ideas that might be looked at, but this one is
6 a good one, and we'll consider it.

7 MR. MOBLEY: Yes, Steve is right. I think the --
8 I think the State of Kansas has a process like that,
9 strictly focused on sale qualification issues. I just
10 found that interesting that they would go to that, you
11 know, level of detail on whether a sale is qualified.

12 You know, their legal structure is different out
13 there. Obviously every state has a different legal
14 structure. But as Steve mentioned, it is something
15 along the lines you're talking about, and I wasn't
16 aware of any other, you know, discussion along that in
17 Florida, but I think --

18 MR. KELLER: Can I add something else?

19 MR. MOBLEY: Yes.

20 MR. KELLER: Just to go back to the basics of why
21 market areas are important, at least from the
22 Department of Revenue's standpoint, is, again, it in
23 part comes from an Auditor General's report discussing
24 the concept of representativeness, and it was felt that
25 market areas would be a way of analyzing the rolls and

1 enhance the representativeness of the samples, and
2 that, I think, means sales ratio samples. I think it
3 may provide an avenue to workload, to saving workload
4 at the Department, and substituting more sales ratio
5 studies for the appraisal ratio studies that you're
6 seeing now. And that's one -- I think that's one plus
7 of the approach that's being taken in this particular
8 draft document.

9 Another plus is that when we look at the rolls at
10 the Department, they're looking for indications of
11 something that would be, what we would call a systemic
12 type of issue or problems. And when you analyze market
13 areas, you can, many times, if you have good market
14 areas, you can say, we don't find any indication in the
15 market area studies of a systemic problem, and that
16 rules out or tends to rule out what appear to be
17 problems in the other studies.

18 So it's a support study, and it helps, in the
19 instances I have seen, it has helped a lot of counties
20 out of potential, you know, feedback from the
21 Department of Revenue.

22 It's not at this time, anywhere I've heard of in
23 the Department, an idea to, you know, somehow take
24 market areas and use them as some kind of a super study
25 that's going to result in, you know, review notices or

1 roll disapprovals or things like that. It's merely
2 another piece of information that, in most instances
3 that I've seen, has helped rule out the idea or the
4 perception of problems elsewhere.

5 MR. MOBLEY: Those are excellent comments.
6 Basically, market areas is another way -- the
7 literature and the statutes mention, you know,
8 stratification by property type, and that's the seven
9 statutory strata, those are not homogeneous, and then
10 there's stratification by value range and to test for,
11 you know, high or low value properties being treated,
12 you know, statistically the same, and then this is a
13 third leg of testing a roll based on geographic units
14 that are big enough to have enough data for an
15 indication and that are not so small as to get down,
16 you know, to the neighborhood level or, you know, to
17 get super-specific like that. This is a mass analysis
18 technique used to evaluate the results of a mass
19 appraisal.

20 We really want to promote that because that is --
21 that's reality, it's consistent with the law, it's
22 consistent with the professional literature, and this
23 is another way of doing that. But the -- it really
24 falls apart, though, if we don't have some consistency.
25 If we have a situation where, you know, we're sitting

1 there arguing over, well, this is a market area, and
2 it's got 25,000 parcels, and it's a market area, and, I
3 mean, it's a market area, you know, and then somewhere
4 else says, well, you shouldn't have more than 10,000
5 parcels in a market area.

6 So if you're stratifying, generally in -- in ratio
7 studies and analyzing the results of a mass appraisal,
8 as many ways as you can stratify as possible is good
9 because you can demonstrate that you've done a good job
10 of mass appraisal.

11 And I hope where we don't evolve to a situation
12 where, you know, where -- because here's a problem.
13 You could have five different experts on that county,
14 this theoretical county, go there and say, "Here's a
15 system of market areas, and there's eight market areas
16 in a county." Another person is going to go there, you
17 know, and they're going to say, "Well, there's 19," and
18 somebody else is going to say, "There's four," and
19 somebody else is going to say, "There's 21." Well,
20 who's right? Are we going to end up arguing over that,
21 I mean, something that there's no consensus on anyway?

22 So I hope we don't -- I mean, I'm all for, you
23 know, opening up communication, but I hope, just as a
24 professional in this business looking at it from both
25 sides of the table, that we don't -- that we don't boil

1 it down to that, and if we can just focus on the fact
2 that the counties can do whatever they wish with their
3 stratification in their offices for their purposes and
4 try to focus on this, this is a tool that's required by
5 law for use by the Department. We don't want to get
6 too specific, we need enough data to work with, but we
7 need to have enough stratification to give a reasonable
8 assurance that we've done a good job of analyzing the
9 results, then that's a win-win for everybody. That's
10 good for -- that's a selling tool that a county can
11 use, and it certainly is something that the Department
12 can do to, you know, tell the world, hey, look, you
13 know, everybody is doing a good job here.

14 So those are my thoughts on that. Do you have
15 anything to add, Mr. Keller?

16 MR. KELLER: No.

17 MR. MOBLEY: Does anyone have any other comments
18 or recommendations for the next draft?

19 I think Mr. Keller and I have exhausted our
20 thought processes. Does anyone else have any comments,
21 or are we ready to wrap it up or -- on behalf of the
22 Department of Revenue, we want to thank each of you for
23 taking the time to be here and making your comments and
24 concerns known. It is invaluable to the Department to
25 have this kind of participation from interested parties

1 so that by working together we can produce, consistent
2 with Florida law, the Florida Uniform Market Area
3 Guidelines for adoption by the end of this year.

4 We will do our best to addresses, within the
5 current statutory and administrative provisions, the
6 comments and concerns that have been presented here
7 today. Thank you for being here today. We appreciate
8 your time and comments, and this concludes this
9 workshop.

10 (Whereupon, the public workshop was concluded at
11 11:01 a.m.)

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1 C E R T I F I C A T E

2 STATE OF FLORIDA)

3 COUNTY OF LEON)

4 I, MARLO D. FARNSWORTH, Certified Shorthand
5 Reporter at Tallahassee, Florida, do hereby certify as
6 follows:

7 THAT I correctly reported in shorthand the
8 foregoing proceedings at the time and place stated in the
9 caption hereof;

10 THAT I later reduced the shorthand notes to
11 typewriting, or under my supervision, and that the foregoing
12 pages 3 through 51 represent a true, correct, and complete
13 transcript of said proceedings;

14 And I further certify that I am not of kin or
15 counsel to the parties in the case; am not in the regular
16 employ of counsel for any of said parties; nor am I in
17 anywise interested in the result of said case.

18 Dated this 24th day of July, 2003.

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MARLO D. FARNSWORTH

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Court Reporter and Notary Public

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State of Florida at Large